GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:711
ANSWERED ON:22.11.2002
NON-BANKING FINANCIAL INSTITUTIONS
CHANDRA BHUSHAN SINGH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Reserve Bank of India has asked the non-banking financial services organisations for setting up the much tainted self-regulatory organisations; and

(b) if so, the steps taken by the Non-Banking Financial Companies in this regard ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a) :- Reserve Bank of India (RBI) have reported that the Task Force on NBFCs (1998) appointed by the Government of India under Shri C.M. Vasudev recommended, inter alia, that it would be desirable if in the NBFC sector also, well represented Self Regulatory Organisations (SROs) come up and the RBI could encourage the growth of these SROs. Accordingly, the Reserve Bank is pursuing with the Associations of NBFCs for the last three years to form an SRO for this sector.

(b):- The NBFCs have not formed an SRO till date. However, the various associations representing the sector are actively deliberating on the issue.